

STATE OF TENNESSEE
PUBLIC CHAPTER NO. 476
SENATE BILL NO. 1109

By Stewart

Substituted for: House Bill No. 1251

By Curtiss

AN ACT to amend Tennessee Code Annotated, Title 56, relative to insurance adjusters.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 6, is amended by adding Sections 2 through 10 of this act as a new part.

SECTION 2. As used in this part:

(1) "Commissioner" means the Commissioner of Commerce and Insurance;

(2) "Crop" means and includes any agricultural product, including livestock, nursery product, tree and product from a tree, as well as anything insured by the Federal Crop Insurance Corporation under a crop insurance program;

(3) "Department" means the Department of Commerce and Insurance;

(4) "Fingerprints" means an impression of the lines on the finger taken for purpose of identification. The impression may be electronic or in ink converted to electronic format; and

(5) "Person" means a natural person.

SECTION 3. (a) No person shall act or hold out as being a crop insurance adjuster unless licensed as a crop insurance adjuster in accordance with this part.

(b) An insurer that sells crop insurance shall not contract, employ or use any person to adjust claims made under a crop insurance policy unless such person is licensed as a crop insurance adjuster.

SECTION 4. (a)(1) A person applying for a crop insurance adjuster license shall make application to the commissioner on the appropriate application prescribed by the commissioner.

(2) The commissioner is authorized to determine whether the crop insurance adjuster license to be issued under this part shall be a crop-

specific loss adjuster license or a multi-peril crop adjuster license, and based on the commissioner's decision, the applicant shall complete the appropriate application.

(b) The applicant shall declare, under penalty of perjury and under penalty of refusal, suspension or revocation of the license, that the statements made in the application are true, correct and complete to the best of the applicant's knowledge and belief.

SECTION 5. The commissioner shall promulgate rules to establish the qualifications for the issuance of a license under this part. Such standards shall include the completion of a course of instruction in adjusting crop insurance claims and the passing of an examination testing the applicant's knowledge of how to adjust crop insurance claims.

SECTION 6. (a) An individual applying for a crop insurance adjuster license under this part shall pass a written examination. The examination shall test the knowledge of the individual concerning the duties and responsibilities of a limited lines crop adjuster and the insurance laws and regulations of this state. Examinations required by this section shall be developed and conducted under rules and regulations prescribed by the commissioner. Based on the commissioner's decision concerning whether the license shall be a crop-specific loss adjuster license or a multi-peril crop adjuster license the examination shall specifically cover the applicable license. If the license is to be a multi-peril crop adjuster license, the commissioner may accept the Risk Management Agency-approved proficiency test as the basis for such licensure.

(b) The commissioner may make arrangements, including contracting with an outside testing service, for administering examinations and collecting a nonrefundable fee in an amount set forth by rule by the commissioner.

(c) Each individual applying for an examination shall remit a nonrefundable fee as prescribed by the commissioner, in an amount set by rule promulgated by the commissioner.

(d) An individual who fails to appear for the examination as scheduled, or fails to pass the examination, shall reapply for an examination and remit all required fees and forms before being rescheduled for another examination.

(e) The commissioner is authorized to establish continuing education requirements, including a minimum number of required hours as well as appropriate curriculum, for persons licensed as crop insurance adjusters under this part.

SECTION 7. All insurers that sell crop insurance in this state shall maintain complete records of each claim made by a policyholder or on property in this state. Such records shall be maintained for at least five (5) years after the termination of the closing of the claim and shall be open to examination by the commissioner at all times.

SECTION 8. A crop insurance adjuster shall not undertake the adjustment of any claim, if the crop insurance adjuster is not sufficiently competent and knowledgeable as

to the terms and conditions of the insurance coverage so as to properly discharge the duties of a crop insurance adjuster, or that otherwise exceeds the crop insurance adjuster's current expertise.

SECTION 9. The commissioner may make investigations necessary for the proper administration of this part. For the purpose of making investigations, the commissioner shall have inquisitorial powers and shall be empowered to subpoena witnesses and examine them under oath.

SECTION 10. The commissioner may promulgate regulations as are necessary or proper to carry out the purposes of this part. These regulations may include provisions relating to the assessment of licensure fees reasonable to defray the costs of examinations and testing of crop insurance adjusters. The commissioner may also set standards for the maintenance of a crop insurance adjuster license. The commissioner shall keep a separate accounting of fees and costs to administer this part, and no other fees generated under this chapter shall be used to administer this part.

SECTION 11. For purposes of promulgating rules and regulations this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes this act shall take effect January 1, 2010, the public welfare requiring it.

PASSED: June 1, 2009



RON RAMSEY
SPEAKER OF THE SENATE



KENT WILLIAMS, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 23rd day of June 2009



PHIL BREDESEN, GOVERNOR